

## **CHARTER**

### **STATE PHARMACEUTICAL ASSISTANCE TRANSITION COMMISSION**

#### Purpose

The Secretary of the Department of Health and Human Services (the Secretary) is mandated by section 106 of the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (MMA), to establish a State Pharmaceutical Assistance Transition Commission (the Commission). The Commission will develop a proposal for addressing the unique transitional issues facing State Pharmaceutical Assistance Programs (SPAPs) and SPAP participants, due to the implementation of the voluntary prescription drug benefit program under part D of title XVIII of the Social Security Act, as added by section 101 of the MMA.

#### Authority

Section 106 of the MMA (Public Law 108-173). The Commission is governed by the provisions of PL 92-463 (5 U.S.C. Appendix 2), which sets forth standards for the formation and use of advisory committees.

#### Function

The State Pharmaceutical Assistance Transition Commission will advise the Secretary and the Administrator of the Centers for Medicare & Medicaid Services (CMS) on ways to address the unique transitional issues facing SPAPs and SPAP participants and will develop a proposal addressing these issues.

The Commission shall develop the proposal in a manner consistent with the following principles:

- Protection of the interests of program participants in a manner that is least disruptive to such participants and that includes a single point of contact for enrollment and processing of benefits.
- Protection of the financial and flexibility interests of States so that States are not financially worse off as a result of the enactment of this title.
- Principles of Medicare modernization under the MMA.

The Commission shall submit to the President and the Congress a report that contains a detailed proposal (including specific legislative or administrative recommendations, if any) and such other recommendations as the Commission deems appropriate. The report is due no later than January 1, 2005.

**Structure**

The Commission shall consist of the Secretary, or his designee, and up to 70 members, including the Chair. Members shall be selected by the Secretary according to the following:

- 1). A representative of each Governor of each State that the Secretary identifies as operating on a statewide basis a State pharmaceutical assistance program (SPAP) that provides for eligibility and benefits that are comparable or more generous than the low-income assistance and eligibility and benefits offered under section 1860D-14 of the Social Security Act;
- 2). Representatives from other States that the Secretary identifies have in operation other SPAPs, as appointed by the Secretary;
- 3). Representatives of organizations that have an inherent interest in program participants or the program itself, as appointed by the Secretary but not to exceed the number of representatives under paragraphs 1 and 2 combined;
- 4). Representatives of Medicare Advantage organizations, pharmaceutical benefit managers, and other private health insurance plans, as appointed by the Secretary; and
- 5). The Secretary (or the Secretary's designee) and such other members as the Secretary may specify.

The Secretary shall designate a member to serve as the Chair. Members shall be invited to serve for the duration of the Commission.

A quorum for the conduct of business shall consist of a majority of currently appointed members.

As necessary, standing and ad hoc subcommittees composed of members of the parent committee, may be established to perform functions within the commission's jurisdiction. The Department Committee Management Officer shall be notified upon the establishment of each standing subcommittee and shall be given information on its name, membership, function, and estimated frequency of meetings.

Management and support services shall be provided by the Center for Medicaid State Operations, CMS.

**Meetings**

Meetings shall be held between 1-3 times per calendar quarter, at the call of the Chair, who shall also approve the agenda.

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Meetings shall be open to the public except as determined otherwise by the Secretary or other official to whom the authority has been delegated; notice of all meetings shall be given to the public.

Meetings shall be conducted and records of the proceedings kept, as required by applicable laws and Departmental regulations.

#### Compensation

All members will serve in a voluntary status without compensation pursuant to advance written agreement. Members of the Commission shall be entitled to receive reimbursement of travel expenses and per diem in lieu of subsistence, in accordance with Standard Government Travel Regulations.

#### Annual Cost Estimate

Estimated annual cost for operation of the Commission, including travel and per diem for members, and logistical support, but excluding staff support, is \$466, 380. The estimated annual person-years of staff support required is .40, at an annual cost of \$36,457.

#### Reports

By not later than January 1, 2005, the Commission shall submit to the President and Congress a report that contains a detailed proposal (including specific legislative or administrative recommendations, if any) and such other recommendations as the Commission deems appropriate.

In the event a portion of a meeting is closed to the public, a report shall be prepared which shall contain, at a minimum, a list of members and their business addresses, the Commission's function, dates and places of meetings, and a summary of Commission activities and recommendations made during the fiscal year. A copy of the report shall be provided to the Department Committee Management Officer.

#### Termination Date

The State Pharmaceutical Assistance Transition Commission shall terminate 30 days after the date of the submission of the report to Congress, but no later than January 31, 2005.

APPROVED:

March 1, 2004  
Date

Tommy Thompson /s/  
Secretary